

CLINTON COUNTY AREA SOLID WASTE AGENCY
Clinton, Iowa

FINANCIAL STATEMENTS
June 30, 2013

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CLINTON COUNTY AREA SOLID WASTE AGENCY
LIST OF OFFICERS AND MEMBERS
June 30, 2013

OFFICERS

Dave Richards
Doug Goodall
Lori Jahn

Goose Lake, Iowa
Delmar, Iowa
Charlotte, Iowa

Chairman
Vice-Chairman
Secretary-Treasurer

MEMBERS

Roger Wilke
Lavern Boedeker
Trevor Willis
Lori Jahn
Jennifer Graf
Doug Goodall
Verlyn Scheckel
Dave Richards
Ken Mosier
Jim Schroeder
Mark Roode
Vacant
Ed Novak
Dixie Woodlard
John Staszewski

Andover, Iowa
Calamus, Iowa
Camanche, Iowa
Charlotte, Iowa
Clinton, Iowa
Delmar, Iowa
DeWitt, Iowa
Goose Lake, Iowa
Grand Mound, Iowa
Lost Nation, Iowa
Low Moor, Iowa
Toronto, Iowa
Welton, Iowa
Wheatland, Iowa
Clinton, Iowa

(Clinton County Rep.)

Independent Auditor's Report

To the Officers and Members
Clinton County Area Solid Waste Agency
Clinton, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of Clinton County Area Solid Waste Agency as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Clinton County Area Solid Waste Agency as of June 30, 2013, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis on pages 4 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Clinton County Area Solid Waste Agency's basic financial statements. The Schedule of Charges for Service and Schedule of Operating Expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Charges for Service and Schedule of Operating Expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2014 on our consideration of Clinton County Area Solid Waste Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clinton County Area Solid Waste Agency's internal control over financial reporting and compliance.

Winkel, Parker & Foster, CPA PC

Clinton, Iowa
March 25, 2014

**CLINTON COUNTY AREA SOLID WASTE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

Clinton County Area Solid Waste Agency provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2013. We encourage readers to consider this information in conjunction with the Agency's financial statements, which follow.

FINANCIAL HIGHLIGHTS

- The Agency's operating revenues decreased 0.1%, or \$2,701, from fiscal year 2012 to fiscal year 2013.
- The Agency's operating expenses were 1.6%, or \$27,499, less in fiscal year 2013 than in fiscal year 2012.
- The Agency's net position increased 4.9%, or \$383,741, from June 30, 2012 to June 30, 2013.

USING THIS ANNUAL REPORT

The Clinton County Area Solid Waste Agency is a 28E organization and presents its financial statements using the economic resources measurement focus and accrual basis of accounting which is the same measurement focus and basis of accounting employed by private sector business enterprises. This discussion and analysis are intended to serve as an introduction to Clinton County Area Solid Waste Agency's basic financial statements. The annual report consists of a series of financial statements and other information, as follows:

The Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Agency's financial activities.

The Statement of Net Position presents information on the Agency's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position is the basic statement of activities for proprietary funds. This statement presents information on the Agency's operating revenues and expenses, nonoperating revenues and expenses and whether the Agency's financial position has improved or deteriorated as a result of the year's activities.

The Statement of Cash Flows presents the change in the Agency's cash and cash equivalents during the year. This information can assist the user of the report in determining how the Agency financed its activities and how it met its cash requirements.

The Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

**CLINTON COUNTY AREA SOLID WASTE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

FINANCIAL ANALYSIS OF THE AGENCY

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of the Agency's financial position. The Agency's net position for fiscal year 2013 totaled \$8,244,505. This compares to \$7,860,764 for fiscal year 2012. A summary of the Agency's net position is presented below.

Net Position

	<u>2013</u>	<u>2012</u>
Current assets	\$4,392,773	\$3,935,036
Restricted investments	1,577,190	1,254,799
Capital assets (net of accumulated depreciation)	<u>4,149,805</u>	<u>4,262,173</u>
 Total assets	 <u>10,119,768</u>	 <u>9,452,008</u>
 Current liabilities	 783,932	 708,224
Noncurrent liabilities	<u>1,091,331</u>	<u>883,020</u>
 Total liabilities	 <u>1,875,263</u>	 <u>1,591,244</u>
 Net position		
Net investment in capital assets	4,149,805	4,262,173
Restricted for:		
Closure and postclosure costs	1,577,190	1,254,799
Unrestricted	<u>2,517,510</u>	<u>2,343,792</u>
 Total net position	 <u>\$8,244,505</u>	 <u>\$7,860,764</u>

A portion of the Agency's net position (19.1%) is restricted for closure and postclosure care. State and federal laws and regulations require the Agency to place a final cover on the landfill sites and perform certain maintenance and monitoring functions at the landfill sites for a minimum of thirty years after closure. The invested in capital assets (50.3%, e.g., land, buildings, and equipment), less the related debt portion of net position are resources allocated to capital assets. The remaining net position (30.6%) are the unrestricted net position that may be used to meet the Agency's obligations as they become due.

**CLINTON COUNTY AREA SOLID WASTE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

Statement of Revenues, Expenses and Changes in Net Position

Operating revenues are received for gate fees from accepting solid waste as well as assessments from the residents of the County. Operating expenses are expenses paid to operate the landfill. Non-operating revenues and expenses are primarily for interest income and rental depreciation. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life. A summary of revenues, expenses and changes in net position for the years ended June 30, 2013 and 2012 is presented below.

Changes in Net Position

	<u>2013</u>	<u>2012</u>
Operating revenues		
Charges for service	\$1,147,703	\$1,132,249
County and city assessments	491,160	491,160
Contracted waste	92,049	51,733
Commodities sold	113,455	172,441
Other operating revenues	<u>135,631</u>	<u>135,116</u>
Total operating revenues	<u>1,979,998</u>	<u>1,982,699</u>
Operating expenses		
Landfill	1,387,346	1,389,184
Recycling	213,413	196,564
RCC	46,364	42,308
Bio-reactor	<u>13,166</u>	<u>59,732</u>
Total operating expenses	<u>1,660,289</u>	<u>1,687,788</u>
Operating income	<u>319,709</u>	<u>294,911</u>
Nonoperating revenues (expenses)		
Finance charges	3,413	4,686
Interest revenue	50,443	54,121
Rental income	11,425	10,178
Rental depreciation	<u>(1,249)</u>	<u>(1,249)</u>
Net nonoperating revenues (expenses)	<u>64,032</u>	<u>67,736</u>
Change in net position	383,741	362,647
Net position, beginning of year	<u>7,860,764</u>	<u>7,498,117</u>
Net position, end of year	<u>\$8,244,505</u>	<u>\$7,860,764</u>

**CLINTON COUNTY AREA SOLID WASTE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

The Statement of Revenues, Expenses and Changes in Net Position reflects a positive year with an increase in the net position at the end of the fiscal year.

In fiscal year 2013, operating revenues decreased by \$2,701 or 0.1%. Operating expenses decreased by \$27,499, or 1.6%.

Statement of Cash Flows

The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, capital and related financing and investing activities. Cash provided by operating activities includes cash received from customers, assessments, and other operating receipts reduced by payments to suppliers and employees. Cash used in capital and related financing activities includes rental income and the purchase of capital assets. Cash used in investing activities includes finance charges, interest income, and purchases and redemptions of investments.

CAPITAL ASSETS

At June 30, 2013, the Agency had \$4,149,805 invested in capital assets, net of accumulated depreciation of \$3,720,778. Depreciation charges totaled \$190,595 for fiscal year 2013. More detailed information about the Agency's capital assets is presented in Note 4 to the financial statements.

LONG-TERM DEBT

At June 30, 2013, the Agency had \$1,054,004 in landfill closure and postclosure care costs, an increase of \$202,680 from fiscal year 2012. The table below summarizes outstanding debt by type.

	<u>2013</u>	<u>2012</u>
Closure and postclosure care costs	<u>\$1,054,004</u>	<u>\$ 851,324</u>

Additional information about the Agency's long-term debt is presented in Note 5 to the financial statements.

**CLINTON COUNTY AREA SOLID WASTE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

ECONOMIC FACTORS

Clinton County Area Solid Waste Agency continued to improve its financial position during the current fiscal year. However, the current condition of the economy in the state and the nation continues to be a concern for Agency officials. Some of the realities that may potentially become challenges for the Agency to meet are:

- There is potential of shortened life expectancy of the Phase 0 and Phase 1A Cells. Waste intake increases are creating this potential issue. This will possibly create a need to construct a new cell sooner than originally planned.
- Work must continue to maintain landfill areas closed in the past.
- The Agency has faced a loss in tonnage over the past decade due to waste being able to travel over state lines. The Agency has taken an active approach to regain a large portion of the tonnage and revenue with commercial haulers and will continue to do so. The tonnage amount has increased in the past few years, but is still not the same or equal to what is leaving the Clinton County area to other facilities.
- Facilities and equipment of Clinton County Area Solid Waste will continue to require routine maintenance and upkeep.
- Technology and trends in the solid waste industry continue to change. The Agency will have to continue to work to update technology and trends at a reasonable cost. These changes could affect each of the services that the Agency has to offer.
- Some of the solid waste programs that are required for the Agency to handle have been implemented with a user fee to help support them. This will continue to happen to keep the programs alive and to keep them available for residents.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Clinton County Area Solid Waste Agency, P.O. Box 996, Clinton, Iowa 52732.

BASIC FINANCIAL STATEMENTS

CLINTON COUNTY AREA SOLID WASTE AGENCY
STATEMENT OF NET POSITION
June 30, 2013

ASSETS

Current assets		
Cash and cash equivalents	\$	2,347,420
Investments		1,896,123
Accounts receivable		135,612
Prepaid insurance		13,618
Total current assets		<u>4,392,773</u>
Noncurrent assets		
Restricted investments		1,577,190
Capital assets (net of accumulated depreciation)		<u>4,149,805</u>
Total noncurrent assets		<u>5,726,995</u>
Total assets		\$ <u>10,119,768</u>

LIABILITIES

Current liabilities		
Accounts payable - trade		77,513
Accrued payroll taxes		2,869
Accrued other withholdings		3,452
Accrued other		180
Accrued ground water tax		21,164
Accrued recycling costs		435,736
Accrued closure costs		<u>243,018</u>
Total current liabilities		<u>783,932</u>
Noncurrent liabilities		
Landfill closure and postclosure care costs		1,054,004
Net OPEB liability		<u>37,327</u>
Total noncurrent liabilities		<u>1,091,331</u>
Total liabilities		<u>1,875,263</u>

NET POSITION

Net investment in capital assets		4,149,805
Restricted for:		
Closure and postclosure costs		1,577,190
Unrestricted		<u>2,517,510</u>
Total net position		\$ <u>8,244,505</u>

The accompanying notes are an integral part of the financial statements.

CLINTON COUNTY AREA SOLID WASTE AGENCY
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
Year Ended June 30, 2013

OPERATING REVENUES

Landfill		
Charges for service	\$ 1,142,901	
Tire handling fee	20,366	
Permit fees	4,860	
County and city assessments	491,160	
Contracted waste	92,049	
Salvage	12,442	
Miscellaneous	71,316	
Total landfill	<u>1,835,094</u>	
Recycling		
Commodities sold	<u>113,455</u>	
Regional Collection Center (RCC)		
Member's expense reimbursement	3,556	
CESQG	2,708	
Customer	6,710	
Disposal reimbursement	12,151	
Miscellaneous	<u>1,522</u>	
Total RCC	<u>26,647</u>	
Bio-reactor		
Charges for service	<u>4,802</u>	
Total operating revenues		\$ 1,979,998

OPERATING EXPENSES	<u>1,660,289</u>
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OPERATING INCOME	319,709
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NONOPERATING REVENUES (EXPENSES)

Finance charges	3,413	
Interest revenue		
Operations	30,567	
Financial assurance	19,876	
Rental income	11,425	
Rental depreciation	<u>(1,249)</u>	
Total nonoperating revenues (expenses)		<u>64,032</u>

CHANGE IN NET POSITION	383,741
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NET POSITION, BEGINNING OF YEAR	<u>7,860,764</u>
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NET POSITION, END OF YEAR	<u>\$ 8,244,505</u>
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The accompanying notes are an integral part of the financial statements.

CLINTON COUNTY AREA SOLID WASTE AGENCY
STATEMENT OF CASH FLOWS
Year Ended June 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 1,949,407	
Cash received from assessments	491,160	
Cash received from other operating receipts	71,316	
Cash paid to suppliers for goods and services	(1,340,372)	
Cash paid to employees for services	<u>(273,826)</u>	
Net cash provided by operating activities		\$ 897,685

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Rental income	11,425	
Purchase of capital assets	<u>(78,227)</u>	
Net cash used in capital and related financing activities		(66,802)

CASH FLOWS FROM INVESTING ACTIVITIES

Finance charges	3,413	
Interest received	50,443	
Investment purchases	(404,287)	
Investment redemptions	410,837	
Restricted investment purchases	<u>(322,391)</u>	
Net cash used in investing activities		<u>(261,985)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 568,898

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 1,778,522

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 2,347,420

CLINTON COUNTY AREA SOLID WASTE AGENCY
STATEMENT OF CASH FLOWS
Year Ended June 30, 2013

RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES

Operating income		\$	319,709
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	\$	189,346	
Closure and postclosure care costs		202,680	
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable		77,981	
(Increase) decrease in prepaid insurance		26,630	
Increase (decrease) in accounts payable - trade		16,300	
Increase (decrease) in payroll taxes		831	
Increase (decrease) in other withholdings		3,244	
Increase (decrease) in other		(275)	
Increase (decrease) in ground water tax		7,064	
Increase (decrease) in recycling costs		32,884	
Increase (decrease) in closure costs		15,660	
Increase (decrease) in other postemployment benefits		5,631	
Total adjustments			<u>577,976</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		\$	<u>897,685</u>

The accompanying notes are an integral part of the financial statements.

CLINTON COUNTY AREA SOLID WASTE AGENCY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Clinton County Area Solid Waste Agency was formed on July 3, 1972 pursuant to the provisions of Chapter 28E of the Code of Iowa. The purpose of the Agency is to operate the sanitary landfill in Clinton County, Iowa for use by all residents of Clinton. Services are also provided for Jackson and Cedar Counties, Iowa.

The Agency is composed of one representative from each of the fourteen member cities and one representative from Clinton County. The member cities are: Andover, Calamus, Camanche, Charlotte, Clinton, Delmar, DeWitt, Goose Lake, Grand Mound, Lost Nation, Low Moor, Toronto, Welton, and Wheatland. Each member shall be entitled to one vote for each 1,500 people or fraction thereof as determined by the most recent general Federal Census.

The Agency's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

Reporting Entity

For financial reporting purposes, Clinton County Area Solid Waste Agency has included all funds, organizations, agencies, boards, commissions, and authorities. The Agency has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Agency are such that exclusion would cause the Agency's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Agency to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Agency. Clinton County Area Solid Waste Agency has no component units which meet the Governmental Accounting Standards Board criteria.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CLINTON COUNTY AREA SOLID WASTE AGENCY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The accounts of Clinton County Area Solid Waste Agency are organized as an enterprise fund. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Measurement Focus and Basis of Accounting

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Agency distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Agency's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash Equivalents

The Agency considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

Restricted Investments

Funds set aside for the payment of closure and postclosure care costs are classified as restricted.

Receivables and Credit Policies

Accounts receivable are uncollateralized customer obligations which generally require payment within 30 days from the invoice date. Accounts receivable are stated at the invoice amount. Account balances with invoices over 30 days old are considered delinquent. Payments of accounts receivable are applied to the specific invoices identified on the customer's remittance advice. It is the Agency's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

CLINTON COUNTY AREA SOLID WASTE AGENCY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are accounted for at historical cost or estimated historical cost where historical cost is not available. Depreciation of all exhaustible capital assets is charged as an expense against operations. Depreciation is computed on the straight-line method over the estimated useful life of the assets. Buildings and developmental costs are amortized over ten to thirty years and equipment is depreciated over a five to ten year life.

The cost of repairs and maintenance is charged to expense, while the cost of renewals or substantial betterments is capitalized. The cost and accumulated depreciation of assets disposed of are deleted, with any gain or loss recorded in current operations.

Interest is capitalized on qualified assets acquired with certain tax-exempt debt. The amount of interest from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. There were no qualifying assets acquired during the year ended June 30, 2013.

Impairment of Long Lived Assets

The Agency reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Subsequent Events

Management has evaluated subsequent events through March 25, 2014, the date the financial statements were available to be issued.

NOTE 2 - CASH AND INVESTMENTS

Custodial Credit Risk - Deposits

The Agency's deposits in banks for the year ended June 30, 2013 were entirely covered by Federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against depositories to insure there will be no loss of public funds.

Investment Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Agency investment policy limits operating funds portfolio to maturities of less than 397 days.

CLINTON COUNTY AREA SOLID WASTE AGENCY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investment Credit Risk

The Agency is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Agency; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The Agency's investments at June 30, 2013 were as follows:

	<u>Fair Value</u>
Investments	
U.S. Government agency bonds	\$ 262,740
Federal agencies	127,900
Mutual funds-fixed income	673,450
Certificates of deposit	730,493
Money market accounts	<u>101,540</u>
	1,896,123
Restricted investments	
Money market accounts	<u>1,577,190</u>
Total investments	<u>\$3,473,313</u>

NOTE 3 - LEASE AGREEMENTS

The Agency leased 8.5 acres of cropland to an unrelated lessee. The lease term is from March 1 to February 28. The land must be used for agricultural crop purposes. Rental fees are \$850 per year. The Agency also rented a small parcel of hay cropland to an unrelated party for \$500, a parcel of cropland to an unrelated party for \$900 per year, a parcel of cropland to an unrelated party for \$350 per year, a parcel of pasture land to an unrelated party for \$1,200, and 39.1 acres of cropland to an unrelated party for \$4,692 per year.

Total rental income was \$11,425 for the year ended June 30, 2013.

CLINTON COUNTY AREA SOLID WASTE AGENCY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 4 - CAPITAL ASSETS

A summary of capital assets at June 30, 2013 is as follows:

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Capital assets not being depreciated:				
Land and improvements	\$ 808,097	\$ -	\$ -	\$ 808,097
Construction in progress	<u>22,185</u>	<u>11,430</u>	<u>22,185</u>	<u>11,430</u>
Total capital assets not being depreciated	<u>830,282</u>	<u>11,430</u>	<u>22,185</u>	<u>819,527</u>
 Capital assets being depreciated:				
Intangibles	27,640	-	-	27,640
Development costs	4,214,567	26,255	384	4,240,438
Buildings	2,117,798	10,389	16,046	2,112,141
Equipment and vehicles	<u>677,457</u>	<u>52,338</u>	<u>58,958</u>	<u>670,837</u>
Total capital assets being depreciated	<u>7,037,462</u>	<u>88,982</u>	<u>75,388</u>	<u>7,051,056</u>
 Less accumulated depreciation for:				
Intangibles	27,640	-	-	27,640
Development costs	1,084,781	133,030	384	1,217,427
Buildings	1,906,351	32,556	16,046	1,922,861
Equipment and vehicles	<u>586,799</u>	<u>25,009</u>	<u>58,958</u>	<u>552,850</u>
Total accumulated depreciation	<u>3,605,571</u>	<u>190,595</u>	<u>75,388</u>	<u>3,720,778</u>
Total capital assets being depreciated, net	<u>3,431,891</u>	<u>(101,613)</u>	<u>-</u>	<u>3,330,278</u>
 Total capital assets, net	 <u>\$4,262,173</u>	 <u>\$ (90,183)</u>	 <u>\$ 22,185</u>	 <u>\$4,149,805</u>

CLINTON COUNTY AREA SOLID WASTE AGENCY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 5 - CLOSURE AND POSTCLOSURE CARE COSTS

To comply with federal and state regulations, the Agency is required to complete a monitoring system plan and a closure/postclosure plan and to provide funding necessary to effect closure and postclosure, including the proper monitoring and care of the landfill after closure. Environmental Protection Agency (EPA) requirements have established closure and thirty-year postclosure care requirements for all municipal solid waste landfills that receive waste after October 9, 1993. State governments are primarily responsible for implementation and enforcement of those requirements and have been given flexibility to tailor requirements to accommodate local conditions that exist. The effect of the EPA requirement is to commit landfill owners to perform certain closing functions and postclosure monitoring functions as a condition for the right to operate the landfill in the current period. The EPA requirements provide that when a landfill stops accepting waste, it must be covered with a minimum of twenty-four inches of earth to keep liquid away from the buried waste. Once the landfill is closed, the owner is responsible for maintaining the final cover, monitoring ground water and methane gas, and collecting and treating leachate (the liquid that drains out of waste) for thirty years.

Governmental Accounting Standards Board Statement No. 18 requires landfill owners to estimate total landfill closure and postclosure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that period. Estimated total costs would consist of four components: (1) the cost of equipment and facilities used in postclosure monitoring and care, (2) the cost of final cover (material and labor), (3) the cost of monitoring the landfill during the postclosure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost is based on the cost to purchase those services and equipment currently and is required to be updated annually for changes due to inflation or deflation, technology, or applicable laws or regulations.

The total costs for Clinton County Area Solid Waste Agency have been estimated at \$371,370 for postclosure care for Cell A and \$1,939,886 for closure and \$1,175,364 for postclosure care for Cell B, for a total of \$3,486,620 as of June 30, 2013, and the portion of the liability that has been recognized is \$1,054,004 at June 30, 2013. These amounts are based on what it would cost to perform all closure and postclosure care during the year ended June 30, 2013. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The estimated life remaining of Cell B is 5 years. The capacity used at June 30, 2013 in Cell A is 100% and Cell B is 21.91%.

Chapter 455B.306(9)(b) of the Code of Iowa requires permit holders of municipal solid waste landfills to maintain separate closure and postclosure accounts to accumulate resources for the payment of closure and postclosure care costs. The Agency has begun accumulating resources to fund these costs and, at June 30, 2013 assets of \$1,577,190 are restricted for these purposes. They are reported as restricted investments on the Statement of Net Position.

Also, pursuant to Chapter 567-113.14(8) of the Iowa Administrative Code, since the estimated closure and postclosure care costs are not fully funded, the Agency is required to demonstrate financial assurance for the unfunded costs. The Agency has adopted the dedicated fund financial assurance mechanism. Under this mechanism, the Agency must certify the following to the Iowa Department of Natural Resources.

CLINTON COUNTY AREA SOLID WASTE AGENCY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 5 - CLOSURE AND POSTCLOSURE CARE COSTS (CONTINUED)

- The fund is dedicated by the local government statute as a reserve fund.
- Payments into the fund are made annually over a pay-in period of ten years or the permitted life of the landfill, whichever is shorter.
- Annual deposits in to the fund are determined by the following formula:

$$NP = \frac{CE - CB}{Y}$$

NP = next payment
CE = total required financial assurance
CB = current balance of the fund
Y = number of years remaining in the pay-in period

Chapter 567-113.14(8) of the Iowa Administrative Code allows the Agency to choose the dedicated fund mechanism to demonstrate financial assurance and use the accounts established to satisfy the closure and postclosure care account requirements. Accordingly, the Agency is not required to establish closure and postclosure care accounts in addition to the accounts established to comply with the dedicated fund financial assurance mechanism.

NOTE 6 - SOLID WASTE TONNAGE FEES RETAINED

The Agency has established an account for restricting and using solid waste tonnage fees retained by the Agency in accordance with Chapter 455B.310 of the Code of Iowa. As of June 30, 2013, there were not any unspent amounts retained by the Agency and restricted for the required purposes.

NOTE 7 - COMMITTED CONTRACTS

As of June 30, 2013, the Agency had the following committed contract:

<u>Project</u>	<u>Total Contract</u>	<u>Committed</u>
Landfill operations and maintenance	\$ 1,655,000	\$ 662,000

NOTE 8 - RISK MANAGEMENT

Clinton County Area Solid Waste Agency is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Agency assumes liability for any deductibles and claims in excess of coverage limitations.

CLINTON COUNTY AREA SOLID WASTE AGENCY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 9 - PENSION AND RETIREMENT BENEFITS

The Agency contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 5.78% of their annual covered salary and the Agency is required to contribute 8.67% of annual covered salary. Contribution requirements are established by state statute. The Agency's contribution to IPERS for the years ended June 30, 2013, 2012, and 2011 were \$20,695, \$21,207 and \$19,211, respectively, equal to the required contributions for each year.

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Agency participates in the Clinton County postretirement medical plan (OPEB). The OPEB Plan recognizes the implicit rate subsidy as required by GASB Statement No. 45.

The actuarial valuation of liabilities under the OPEB Plan is calculated using the frozen entry age actuarial cost method as of the July 1, 2011 actuarial valuation. This method requires the calculation of an unfunded actuarial accrued liability, which was approximately \$938,651 for Clinton County as of June 30, 2013. The Agency's portion of the unfunded actuarial accrued liability is not separately determinable.

Details of the OPEB plan are available in Clinton County's audit report for the year ended June 30, 2013. The report may be obtained by writing to the Clinton County Auditor's Office, 1900 North 3rd Street, Clinton, Iowa 52733-2957.

The Agency recognized a net OPEB liability of \$37,327 for other postemployment benefits, which represents the Agency's portion of Clinton County's net OPEB obligation. The Agency's portion of the net OPEB obligation was calculated using the ratio of full-time equivalent employees of the Agency compared to full-time equivalent employees of Clinton County.

NOTE 10 - SUBSEQUENT EVENTS

In July 2013 the Agency entered into a contract in the amount of \$57,287 for asphalt overlay of the landfill entry road.

In February 2014 the Agency approved an amendment to the contract for landfill operations and maintenance services. The amendment extended the service period from June 30, 2015 to June 30, 2018. The estimated cost for the additional three year period amounted to \$993,000 in total or \$331,000 per fiscal year.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTARY INFORMATION

**CLINTON COUNTY AREA SOLID WASTE AGENCY
SCHEDULE OF CHARGES FOR SERVICE
Year Ended June 30, 2013**

Refuse - \$44.00 per ton from July 1, 1994 through June 30, 2013	\$ 1,135,240	
Asbestos - \$25.00 per cu. yd. from February 1, 1992 through June 30, 2013	6,825	
Contaminated soil - \$35.00 per load from July 1, 1994 through June 30, 2013	<u>836</u>	
TOTAL CHARGES FOR SERVICE		<u>\$ 1,142,901</u>

CLINTON COUNTY AREA SOLID WASTE AGENCY
SCHEDULE OF OPERATING EXPENSES
Year Ended June 30, 2013

OPERATING EXPENSES

Landfill		
Insurance	\$	84,628
Professional fees		91,390
Equipment repairs		13,498
Building repairs		76
Agency vehicle		4,360
Advertising		2,799
Education expense		2,054
Payroll		144,656
Reimbursements		41
Clothing allowance		250
Payroll tax		10,811
Employer IPERS		20,695
Contracted compacting and covering charges		323,980
Secretarial services		369
Tire expense		26,660
Trailer repairs		1,569
Machine repairs		512
Utilities		12,176
Telephone		2,132
Office expense		13,649
Postage		1,797
Mileage		28
Maintenance		23,067
Testing expenses		5,321
Ground water tax		65,769
Refuse processing		52,883
System maintenance		8,541
Closure and postclosure care		251,224
Supplies		4,627
Office supplies		6,507
Disposal		3,201
Brown goods disposal		18,523
Dues		1,931
Travel expense		193
Bank charges		9,374
Employee safety		2,009
Miscellaneous expense		32,005
Depreciation		<u>144,041</u>
Total landfill	\$	1,387,346

CLINTON COUNTY AREA SOLID WASTE AGENCY
SCHEDULE OF OPERATING EXPENSES
Year Ended June 30, 2013

OPERATING EXPENSES (CONTINUED)

Recycling		
Insurance	\$	18,468
Payroll		
Operations		99,646
Equipment repairs		19,328
Building repairs		2,515
Clothing allowance		632
Payroll tax		7,449
Machine repairs		2,691
Utilities		6,309
Mileage		63
Maintenance		10,193
Supplies		12,141
Depreciation		<u>33,978</u>
Total recycling	\$	213,413
RCC		
Reimbursements		50
Equipment repairs		751
Building repairs		606
Employee education		125
Telephone		329
Mileage		63
Maintenance		10,334
Supplies		2,121
RCC disposal		25,113
Travel		215
Depreciation		<u>6,657</u>
Total RCC		46,364
Bio-reactor		
Equipment repairs		1,208
Machine repairs		3,599
Utilities		3,023
Maintenance		495
Supplies		171
Depreciation		<u>4,670</u>
Total bio-reactor		<u>13,166</u>
TOTAL OPERATING EXPENSES	\$	<u>1,660,289</u>

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Officers and Members
Clinton County Area Solid Waste Agency

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Clinton County Area Solid Waste Agency as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Clinton County Area Solid Waste Agency's basic financial statements and have issued our report thereon dated March 25, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Clinton County Area Solid Waste Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clinton County Area Solid Waste Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clinton County Area Solid Waste Agency's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and another we consider to be a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the Clinton County Area Solid Waste Agency's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies in the Clinton County Area Solid Waste Agency's internal control described in the accompanying Schedule of Findings and Responses as items 13-1-A, 13-1-C and 13-1-D to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 13-1-B to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clinton County Area Solid Waste Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance or other matters which are described in the accompanying Schedule of Findings and Responses.

Comments involving statutory and other legal matters about the entity's operations for the year ended June 30, 2013 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the entity. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Clinton County Area Solid Waste Agency's Responses to Findings

Clinton County Area Solid Waste Agency's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Clinton County Area Solid Waste Agency's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by the personnel of Clinton County Area Solid Waste Agency during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Winkel, Parker & Foster, CPA PC

Clinton, Iowa
March 25, 2014

CLINTON COUNTY AREA SOLID WASTE AGENCY
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2013

Part I: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

13-I-A Segregation of Duties

Criteria - Internal controls should be in place to reduce to a relatively low risk the likelihood a material misstatement to the financial statements could occur and not be detected and corrected in a timely period by employees in the normal course of performing their assigned functions. A good system of internal controls contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

Condition - Currently, one person has the primary responsibility for most of the accounting and financial duties. As a result, all of those aspects of internal control which rely upon an adequate segregation of duties are, for all practical purposes, missing.

Effect - As a result of these conditions, there is a higher risk that errors or irregularities could occur and not be detected and corrected within a timely period.

Cause - The entity has a limited number of personnel performing accounting functions and limited review procedures in place.

Recommendation - The entity should be aware of the lack of segregation of duties and regularly review controls which could be put in place to mitigate the risk that misstatements could occur and not be detected and corrected.

Response - The entity recognizes that it would not be cost effective to hire additional personnel to maximize the segregation of accounting duties due to its size. However, the entity is aware of the condition and will continue to monitor and implement compensating controls.

Conclusion - Response accepted.

CLINTON COUNTY AREA SOLID WASTE AGENCY
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2013

Part I: Findings Related to the Financial Statements (continued):

13-I-B Financial Statement Preparation

Criteria - The Agency engages Winkel, Parker & Foster, CPA PC to assist in preparing its financial statements and accompanying disclosures. However, as independent auditors, Winkel, Parker & Foster, CPA PC cannot be considered part of the Agency's internal control system. To establish proper internal control over the preparation of its financial statements, including disclosures, the Agency should design and implement a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate.

Condition - The Agency has not implemented procedures, to the degree necessary, to provide a high level of assurance that potential omissions or other errors that are less than material, but more than inconsequential, would be identified and corrected in the Agency's financial statements and related disclosures.

Effect - Management or employees in the normal course of performing their assigned functions may not prevent or detect and correct financial statement misstatements and disclosure omissions in a timely manner.

Cause - The entity has relied on independent auditor's to some degree to provide assurance that the financial statements, including disclosures, are not materially misstated.

Recommendation - Management should perform a comprehensive review of the financial statements to ensure that the financial statements, including disclosures, are complete and accurate.

Response - Management will perform a comprehensive review of the financial statements to ensure that the financial statements, including disclosures, are complete and accurate.

Conclusion - Response accepted.

CLINTON COUNTY AREA SOLID WASTE AGENCY
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2013

Part I: Findings Related to the Financial Statements (continued):

13-I-C Accounts Receivable Reconciliation

Criteria - In order to make financial reports generated by the accounting system as meaningful as possible, the Agency should reconcile the accounts receivable general ledger account to the accounts receivable listing on a monthly basis.

Condition - Through our review of the accounts receivable balance, we noted that the accounts receivable listing did not reconcile to the general ledger.

Effect - As a result, there is a higher risk that errors or irregularities could occur and not be detected and corrected within a timely period.

Cause - A reconciliation of the accounts receivable balance from the general ledger to the accounts receivable listing is not being completed on a regular basis.

Recommendation - We recommend that the accounts receivable listing is reconciled to the general ledger on a monthly basis to ensure that the general ledger balance and the monthly financial statements reflect the proper accounts receivable amount.

Response - The accounts receivable listing will be reconciled to the general ledger on a monthly basis.

Conclusion - Response accepted.

**CLINTON COUNTY AREA SOLID WASTE AGENCY
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2013**

Part I: Findings Related to the Financial Statements (continued):

13-I-D Audit Adjustments

Criteria - Auditing standards indicate that an important aspect of internal control is the adjustment and reconciliation of general ledger account balances to supporting information. During the course of our audit, we noted accounts in which material adjusting entries were required.

Condition - The trial balance provided to auditors required adjustments to ensure that balances were reported in accordance with general accepted accounting principles. When this situation exists it is important to note that the recording of journal entries remains management's responsibility and therefore the officers of the Agency. Further, there is no formal review process.

Effect - As a result of these conditions, there is a higher risk that account balances could be materially misstated.

Cause - The Agency did not ensure all necessary adjustments were made to the trial balance before providing it to auditors.

Recommendation - We recommend that the Agency perform a comprehensive review of financial information subsequent to the audit adjustments to ensure that financial records agree to the audited financial statements. We also recommend that the Agency have a member of management or the officers of the Agency review journal entries and supporting documentation on a monthly basis. The reviewer should then sign and date the entries as an indication of approval.

Response - A comprehensive review of financial information subsequent to audit adjustments will be performed. A person that does not make journal entries will review journal entries on a monthly basis.

Conclusion - Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

**CLINTON COUNTY AREA SOLID WASTE AGENCY
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2013**

Part II: Other Findings Related to Required Statutory Reporting:

- 13-II-A Questionable Expenses - No expenses that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- 13-II-B Travel Expense - No expenditures of money for travel expenses of spouses of Agency officials or employees were noted.
- 13-II-C Board Minutes - No transactions were found that we believe should have been approved in the Agency minutes but were not.
- 13-II-D Deposits and Investments - No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa were noted, except as follows:

The Agency has adopted by written resolution, approved financial institutions as depositories of public funds. However, the maximum amounts that may be kept on deposit in each depository are not sufficient based on current deposits held.

Recommendation - The Agency should review and update their resolution naming depositories.

Response - The Agency will review and update their resolution naming depositories.

Conclusion - Response accepted.

- 13-II-E Solid Waste Tonnage Retainage Fees - No instances of non-compliance with the solid waste fees used or retained in accordance with provisions Chapter 455B.310 of the Code of Iowa were noted.

**CLINTON COUNTY AREA SOLID WASTE AGENCY
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2013**

Part II: Other Findings Related to Required Statutory Reporting (continued):

13-II-F Financial Assurance - The Agency has demonstrated financial assurance for closure and postclosure care by establishing a local government dedicated fund as provided in Chapter 567-113.14(6) of the Iowa Administrative Code. The calculation is made as follows:

	<u>Cell A</u>	<u>Cell B</u>
Total estimated costs for closure and postclosure care	\$ 371,370	\$3,115,250
Less: balance of funds held in the local dedicated fund at June 30, 2012	(140,476)	(1,114,507)
Less: Fiscal year 2012 required payment made in fiscal year 2013	<u>(31,936)</u>	<u>(288,107)</u>
	198,958	1,712,636
Divided by the number of years remaining in the pay-in period	<u>5</u>	<u>5</u>
Required payment into the local dedicated fund for the year ended June 30, 2013	39,792	342,527
Balance of funds held in the local dedicated fund at June 30, 2012	140,476	1,114,507
Fiscal year 2012 required payment made in fiscal year 2013	<u>31,936</u>	<u>288,107</u>
Required balance of funds to be held in the local dedicated fund at June 30, 2013	<u>\$ 212,204</u>	<u>\$1,745,141</u>
Amount restricted for closure and postclosure at June 30, 2013	<u>\$ 172,412</u>	<u>\$1,402,614</u>

In July 2013, the Agency made the required deposit to demonstrate financial assurance for closure and postclosure care.